

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Industrial Promotion – Extension of certain incentives under Industrial Investment Promotion Policy (IIPP) 2005-2010 to M/s. Hinduja Foundries Limited, Hyderabad for their proposed Greenfield unit at Kallakal village, Toopran Mandal, Medak District – sanction -orders- issued.

INDUSTRIES & COMMERCE (IP) DEPARTMENT

G.O.Rt.No. 460

Dated:12-08-2009.

Read the following:-

1. From Commissioner of Industries, Andhra Pradesh, Hyderabad Note.dt.12.10.2007 and Single File.No.15-1-7-1310, dt.18.02.2008.
2. Minutes of the State Investment Promotion Committee (SIPC) Meeting held on 02.09.2008.
3. Minutes of the State Investment Promotion Board (SIPB) Meeting held on 04.10.2008.
4. From the Project Director, Hinduja Foundries Ltd., Hyderabad Letter No.HFL/TLU/029, dated.19.11.2008.

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ORDER:-

The Commissioner of Industries, Andhra Pradesh, Hyderabad in the reference 1st read above has reported that M/s Ennore Foundries Limited, with its headquarters at Chennai was established in 1959, catering to the needs of Indian automobile industries. Initially promoted by British Leyland, Ennore Foundry commenced commercial production in 1961. M/s Ennore Foundries Limited is the associate company of Ashok Leyland, which is a Flagship Company of Hinduja Group, a major commercial vehicle and diesel engine manufacturer. M/s Ennore Foundries Limited is the largest automotive jobbing foundry with production capacity of 50000 MT of Grey Iron Casting and 3000 MT of aluminum gravity die-castings per annum. It makes castings for automobiles, industrial engines, power generators, tractors as well as for Defence applications. It has a unit at Uppal in Hyderabad producing of 36000 Tons of Grey & SG Iron castings per annum. M/s. Ennore Foundries Limited is proposing to set up a new green field mega foundry project with an investment of Rs.150 Crores at Kallakal village, Toopran Mandal, Medak District for producing "Grey Iron" and 'S.G. Iron castings" of 48000 MT per annum with state-of-art technology in all facets of casting manufacturing. It is to provide employment around 500 persons directly and 500 persons indirectly and there are possibility considering the growth potentials.

2) The Commissioner of Industries, Andhra Pradesh, Hyderabad has further reported that the company has requested to extend the following benefits to their proposed unit. The COI, A.P. Hyderabad has also informed that the name of M/s Ennore Foundries Ltd., (DCU) has been changed to M/s. Hinduja Foundries Limited with effect from 14.02.2008 and also reported that as the industry qualifies as Mega Project and line of activity Foundry i.e. manufacturing of Grey Iron and S.G. Iron castings is eligible for incentives under Industrial Investment Promotion Policy 2005-2010 and requested the Government to take a view on the requests of the company.

- 1) Concession at the rate of 50% for the Power Tariff apart from complete exemptions from any tax related to Electricity.
- 2) Supply of 6 Lakh liters of uninterrupted water supply per day and permission to dig bore wells to suit overall needs of the company.
- 3) Interest free sales tax loan: Apart from the declared percentage of 25%, 90 % of balance 75% be extended as Interest free sales tax loan payable after 12 years.

- 4) Capital Subsidy for infrastructure development linked to the investment.
 - 5) Rebate of 50% on the land cost (currently land offered at Rs 25 lakh /acre)
 - 6) Installation of power lines upto their sub station.
 - 7) Reimbursement of VAT for a period of 10 years from the date Commercial Production.
 - 8) Reimbursement of CST for a period of 10 years from the date of commercial production.
 - 9) To provide concession of Rs.20/- per Kilo Litre on the prevailing charges for a period of 5 years from the date of commercial production.
 - 10) To provide financial assistance of Rs.7.6 crores towards setting up full-fledged training center on the lines similar to that of ITI. This training center would have student strength of 100 persons for various disciplines/trainees such as fitter/electrician/foundry etc., It would also have the facilities to provide on the job training with foundry facilities available.
 - 11) Provide roads, water and power up to the site of the plant with the cost of the Government.
 - 12) Provide assistance in Excise duty, Income tax treating the foundry industry as a part of automotive sector.
3. In the reference 2nd read above, the State Investment Promotion Committee (SIPC) in its meeting held on 02.09.2008 has decided the following on the requests of the M/S. Hinduja Foundries Limited, Hyderabad.

"to extend the incentives as per IIPP 2005-10 and did not agree for higher level of incentives. With regard to Establishment of full-fledged training center, like ITI, linked to the Industry, the SIPC has welcomed the proposal and requested the Commissioner of Employment & Training to workout the modalities for establishing such a Center. The proposal be placed in the SIPB.

4. In the reference 3rd read above, the State Investment Promotion Board (SIPB) in its meeting held on 04.10.2008 has decided in respect of the above unit as follows:-

"The Board agreed to extend 50% reimbursement of VAT & CST for a period of 5 years, being a mega project and other benefits as per the IIPP 2005-10".

5. Keeping in view of the above and also in the light of the recommendations of the State Investment Promotion Committee (SIPC) and State Investment Promotion Board (SIPB), dated 02.09.2008 and 04.10.2008 respectively, Government after careful examination, hereby extend the following incentives to M/s. Hinduja Foundries Limited, Hyderabad for their proposed Greenfield unit at Kalkal Village, Toopran Mandal, Medak District.

"To extend 50% reimbursement of VAT & CST for a period of 5 years, being a mega project and other benefits as per the Industrial Investment Promotion Policy 2005-10".

6. The Commissioner of Industries, Hyderabad shall take necessary action in the matter accordingly.

B. SAM BOB
PRINCIPAL SECRETARY TO GOVERNMENT &
COMMISSIONER FOR INDUSTRIAL PROMOTION

To
 The Commissioner of Industries, Andhra Pradesh, Hyderabad
 The Commissioner for Employment & Training, A.P. Hyderabad.
 M/s Hinduja Foundries Limited, Hyderabad through the Commissioner of Industries, A.P, Hyderabad.

The Accountant General, Andhra Pradesh, Hyderabad

Copy to:

The Commissioner of Commercial Taxes, Hyderabad

The Chairman & Managing Director, APTRANSCO., Hyderabad

The Managing Director, APCPDC Ltd., Hyderabad

The District Collector, Medak District.

The General Manager, District Industries Centre, Medak.

P.S. to Minister(Major Industries)

P.S. to Addl.Secy. to C.M.

P.S. to Chief Secretary to Government.

P.S. to Spl. CS, Revenue Department/P.S. to Prl. Secy. to Govt., Revenue(CT) Dept.

P.S. to Spl.CS, Energy Department.

P.S. to Prl. Secy. to CM

P.S. to Principal Secretary & Commissioner for Industrial Promotion.

P.S. to Secretary (Industries)

Industries & Commerce Dept.

The Finance (Exp.I&C) Department

The Revenue (CT) Department/The Energy Department.

SC/SF

//Forwarded::By order//

SECTION OFFICER